# Discount Store News®

*THE NEWSPAPER OF DISCOUNT RETAILING*

SECOND CLASS

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## There's Phar-Mor to 'Drug' Chain Than Meets the Eye

**By Arthur Markowitz**

YOUNGSTOWN, Ohio — Phar-Mor, the mystery chain in the deep discount drug store field, continues to pursue its aggressive expansion program and unique merchandising that the company expects will push it to the $3 billion sales level in its current fiscal year.

But it's this unbridled growth that has raised the mystery of how profitable this nine-year-old privately held chain is and how long can it maintain its rapid expansion.

President Michael I. Monus, in a prepared statement earlier this year, said the company "continues to be profitable," but didn't release any figures. Phar-Mor sales were just over $2 billion in 1990.

***Phar-Mor's quest to become** a national retailer may be aided by its investment deal with Corporate Partners.*

His statement came shortly before Phar-Mor disclosed in June, when its fiscal year ended, that an investment fund had bought a 17% equity interest, composed of stock and warrants, for $200 million. The deal with Corporate Partners, a $1.6 billion fund associated with the Lazard Freres & Co. investment firm, "will enable us to fulfill growth plans well into the next decade," Monus said, and "bring us closer to reaching our potential as a national retailer."

Trade observers noted that investment houses make money either by sharing in the profits of a company or by selling their stake at a higher price. In Phar-Mor's case, a successful public stock offering, including some or all of Corporate Partners shares, could only come when the company produced a strong bottom line.

As has happened at other retailers, a public offering would also reward Phar-Mor's other investors whose equity in the retailer was cut by the Corporate Partners investment. These include Giant Eagle, with almost a 50% interest, Youngstown-based real estate developer Edward J. Debartolo Sr., with about a 10% stake, and other families from the two cities.

*(Continued on page 28)*

## ShopKo Discloses IPO Expectations

GREEN BAY, Wis. — Super Valu expects that a 52% stake in its ShopKo discount store subsidiary will fetch as much as $280.5 million.

The supermarket operator has followed through on its announced intentions to take ShopKo public by filing a stock registration with the Securities and Exchange Commission to sell 16.5 million shares of ShopKo stock at an expected price of $14 to $17 a share.

Under terms of a June 1991 recapitalization, ShopKo wouldn't get to keep the proceeds, if the IPO goes through. Instead, it would have to remit the money to its parent to repay an undisclosed portion of a $427.5 million demand note signed in anticipation of going public.

Accordingly, Super Valu, rather than ShopKo, would get to use the proceeds of the stock sale for its own needs, such as store expansion.

ShopKo owns all the stock to be offered, and Super Valu will retain as much as a 48% or as little as a 41% stake. The percentage depends on whether underwriters exercise an option to buy 2.5 million additional shares that Super Valu owns. Either way, it will continue to control the chain. Goldman, Sachs, New York is the lead underwriter.

The ShopKo subsidiary operates 108 discount stores in

*(Continued on page 32)*

## The Anderson's Hones Mix; Adopts New 'Shop' Approach

**By Mary Ellen Kelly**

MAUMEE, Ohio — The Anderson's, a six-unit discounter, has joined a growing list of retailers redefining their "core" categories and creating merchandise "shops" for a category killer presentation in key departments.

The Anderson's has already worked a new Pet Care center and a Lawn & Garden shop into its stores—complete with new signs and lighting—and is soon to begin work on a section called, "The Uncommon Market," offering specialty foods, wine, flower shop, deli, produce and bakery goods.

Other chains which have developed similar shop environments include Secaucus, N.J.-based Jamesway; Henderson, N.C.-based Rose's, and Cincinnati-based Van Leunen's.

*(Continued on page 7)*

## Sears to Open 8 Canadian Units

TORONTO — Sears Canada is expected to spend about $75 million (Canadian) in preparation for its reopening by the end of this month of eight acquired stores in the Greater Toronto area.

The acquisitions—a net gain of seven stores for Sears—include five Simpson's and two Bays, for which Sears paid C$37 million (US$32.1 million) and a Simpson's that was leased directly from a shopping center developer. One Bay, meanwhile, is going into a Sears that will be relocated into one of the Simpson's.

Sears Canada, a 62.7%-owned subsidiary of Sears, acquired the seven stores from the Hudson Bay Co. The unit became available as a result of the recent merger of Simpson's and Bay, 10 years after Simpson's became part of the Hudson Bay group.

Until the recent acquisition, Sears only operated seven units in Canada's premier retail market. Sears didn't operate more stores in Toronto because a 1952 joint venture agreement between Sears (US) and Simpson's Ltd.—which resulted in the launching of Sears Canada—prevented Sears from opening units within 25 miles of a Simpson's. The agreement terminated in 1978, but other retailers had already obtained prime sites.

The acquired stores include Simpson's in the Oakville Place Mall, Fairview Mall, Erin Mills Town Center,

*(Continued on page 28)*

## September Shows Stir Buyers' Interest

### *Exclusively HBA Expects Record Attendance*

NEW ORLEANS — The "Big Easy" is set to welcome some tough customers to the Exclusively HBA show Sept. 12 to 14.

Over 1,000 buyers from discount and drug chains and supermarkets are expected to attend the health and beauty care trade show. For many, this category was a bright spot in an otherwise lackluster retail year.

This is only the second Exclusively HBA show and it has sold out more than 58,000 square feet of actual display space at the New Orleans Convention Center, according to Jay Spaulding, producer of the show. He noted that 6,000 square feet was added to the original floor plan to accommodate late entries.

The distinction of this event is its emphasis on mass retailers. While other types of H&BC trade shows are more directly targeted to

*(Continued on page 29)*

### *NHMA Hopes New Name Will Provide Wider Focus*

ATLANTA — More than 900 exhibitors and over 10,000 buyers are expected to attend the Lifestyle Expo & Conference, held here Sept. 13 to 15, according to Brian Casey, managing director of trade shows with the National Housewares Manufacturers Association.

Synergies among the housewares, gift and gourmet shows being held simultaneously during the September time slot, is hoped to draw a wider spectrum of buyers and vendors than at an exclusively housewares show, and provide new business opportunities for all concerned.

At the same time, by wedding the three shows; enhancing the straightforward convention with seminars; and renaming the show, the NHMA hopes to break the industry's expectation that the Lifestyle Expo should be as vast as a second "January Housewares Show."

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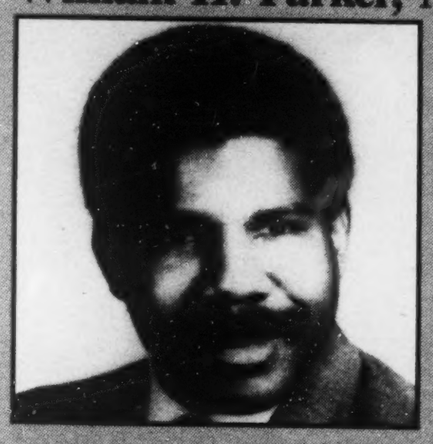
## MARKETWATCH

### IMRA To Hold Store Planning Meeting

WASHINGTON — The International Mass Retail Association will hold its third annual Store Planning and Design Conference Nov. 20 to 22 at Miami's Inter-Continental Hotel. This year's theme is "Store Planning for Profit." Various seminars will be held, including, "Generating Power Sales through Future Merchandising," "Negotiating for Profit," "Vendor Display/Visual Merchandising for Profit," plus others on design implications of the Americans With Disabilities Act. For info, call (202) 861-0774.

### William H. Parker, New Kmart VP



TROY, Mich. — William H. Parker, Kmart's vice president of sales and marketing, last month was named vp of Kmart Corp. and president of Reader's Market. Parker, who joined Kmart in 1989 as vp, sales, now reports directly to William D. Underwood, senior vice president, general merchandise.

### Kmart Sold $1 Billion in PERCS

TROY, Mich. — Kmart sold slightly more than $1 billion worth of a new convertible preferred stock called PERCS, an increase from original expectations of about $700 million. Kmart will use net proceeds of $985 million to fund its store expansion and renovation program in the face of tight bank lending to developers who normally build stores and lease them back. Separately, Kmart reported that second quarter operating profits rose 6.4% to $350.6 million from $329.6 in the year earlier period.

### Tuesday Morning Testing Catalog

DALLAS — Tuesday Morning, the deep discount closeout chain with 142 units, is testing a closeout merchandise catalog. Already on its second edition with a third edition expected for the end of the year, the catalog features mostly housewares. Senior vp Jerry Smith said distribution is national beyond the chain's markets in 22 states. Separately, the chain just opened four stores—two in Tucson, Az., a new market, Phoenix and Montclair, N.J.

### Builders Square To Close Seven Stores

SAN ANTONIO, Texas — Builders Square, Kmart's home center subsidiary, is closing seven units, three in Southern California, and four in Atlanta, home town of arch-rival Home Depot. The closings will reduce store count to 139 from 146, but eight new openings scheduled by year end will raise it to 147.

### Jan Bell Calls Off Acquisition

SUNRISE, Fla. — Jan Bell Marketing, the major jewelry supplier to the membership warehouse field, has called off its planned acquisition of Michael Anthony Jewelers, a jewelry manufacturer. The deal failed because of "differences which arose over post-merger operational issues," Alan Lipton, chief executive officer, said.

### Price Savers Chain Gets Pace Logos

ENGLEWOOD, Colo. — The logos of the four Price Savers warehouse clubs in Utah were changed last month to Pace Membership Warehouse, inaugurating Pace's planned renaming of the entire 14-club Price Saver chain. The logo changes will be completed by the end of next month. Pace's parent, Kmart, acquired Price Savers last December and merged it into Pace. Twelve Price Savers' will get added fresh produce sections by year's end. Two others, in Washington, will get the program early in 1992.

### Tom Peters Elected To Green Seal Board

WASHINGTON — Tom Peters, the best selling author of "In Search Of Excellence," has been elected to the board of directors of Green Seal. The environmental labeling and consumer education organization noted that Peters' election emphasized "the mounting importance of environmental issues to the future of American business." Peters is the founder and ceo of four training and communications companies and the Palo Alto Center for Management Studies, a non-profit group.

# Dueling Expositions: Industry Is Split On Back-To-School Shows

By Laura Liebeck

NEW YORK — The divisiveness between the two show groups organizing Back-To-School and home/office products expositions has lessened in recent weeks, but the industry remains split by the infighting.

Despite negotiations between Thalheim Expositions and SHOPA (School and Home Office Products Association) to reconcile their differences and join forces to sponsor one industry trade show, two BTS shows will be held this year just four weeks apart from each other.

Representatives from both organizations said recent talks between the two groups were held to clear the air. The main atmosphere of the talks was positive, both sides agreed, but they failed to resolve many of their differences.

As a result, the possibility of the groups combining show efforts is unlikely before 1993. The SHOPA board is likely to vote later this month to contract with InterBev, show managers for its 1991 show, to manage the second one as well, in 1992, said Gary Kibler, SHOPA's executive vice president.

Proceeding with separate events, the organizers of both shows say they are confident they will satisfy the needs of exhibitors and buyers. They also say they are enthusiastic about the response they have gotten to the different approaches they have set for their events.

No buyer attendance data is available yet since the shows are still more than a month away. Manufacturer participation lists are incomplete, too, so it is still unclear exactly who is going where.

Kibler feels most vendors will choose one show to attend, while Henry Dicker, show manager for Thalheim, expects more crossover between the shows.

The first of the two shows will be sponsored by Thalheim Expositions, Manhasset, N.Y., the organizer of the Back-To-School Merchandise Show for the last 10 years. Thalheim will hold the 11th annual show in Chicago this year at McCormick Place's North Hall, Nov. 12 to 14.

The industry's new show is being sponsored by SHOPA, its six-month-old trade association. That event will be held in New Orleans at the convention center, Dec. 11 to 14.

Both shows will have approximately the same amount of exhibition space, although the gross square feet will differ. Thalheim Expositions has reserved 150,000 gross square feet for its show. As of early August, 520 exhibitor booths were reserved and 700 are anticipated, said Dicker. SHOPA has 201 exhibitor companies signed up in space that could run as high as 237,000 gross square feet.

SHOPA has attracted the "big guns" in the BTS industry, namely Mead (2,700 square feet of booth space) and Stuart Hall (2,400 square feet, excluding 1,000 square feet for Lisa Frank licensed products). Other exhibitors occupying more than 1,000 square feet of booth space at the SHOPA show include Pentech, Esselte Pendaflex, Faber-Castell, Fellowes and Norcom.

Among Thalheim's big-name exhibitors are ACCO, American Greetings, K&M, Dennison, Eldon/Rubbermaid and Pentech, said Dicker.

Because of their timing, both shows are intended to be buying events. The similarities end there.

The Thalheim show will feature two seminar programs, including one which is being sponsored by *DSN*, and will be held on Wednesday, Nov. 13, at 8:30 a.m.

SHOPA will have no seminar programs and no show daily. It will have some "then" and "now" exhibits which will feature office equipment and supplies in offices of the past and of today.

During SHOPA, the trade group will also hold its first yearly meeting on Saturday morning.

## *Ames Sales Fall Short; May Affect Credit Talks*

ROCKY HILL, Conn. — Ames disclosed that it will fall short of its predicted sales and earnings goals for 1991, but said it cannot predict how the news will affect negotiations with creditors about a plan to emerge from Chapter 11.

Now operating 448 stores, Ames said in a filing with the Securities and Exchange Commission that soft back-to-school sales means it won't achieve its predictions of $3.14 billion in sales and $21.6 million in earnings before interest and taxes for the year ended Jan. 25, 1992. Ames declined to make any new sales and earnings predictions.

The chain is reviewing the impact of the shortfalls on its previously announced five-year business plan, and warned that projections should not be relied upon.

Chairman and chief executive officer Stephen L. Pistner said that Ames has made significant progress over the year, despite disappointing sales. "In the first quarter alone, Ames cut its net loss, before restructuring charges, by $158 million from last year," Pistner said.

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## EDITORIAL

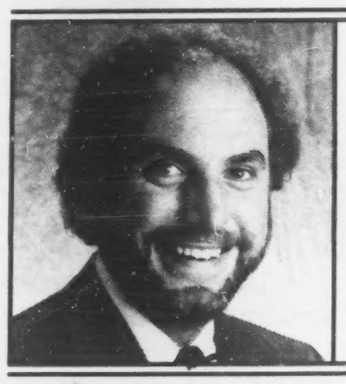
# Clubs Beware: A Lesson Looms in NE

As previously reported in *DSN*, the explosive growth of the warehouse club segment that took place in California just a few years ago, will soon be duplicated in several states in the lucrative Northeast corridor.

An area worth watching is northern New Jersey because what occurs here is likely to occur elsewhere in the region. There may well be a lesson waiting to be learned.

Contrary to conventional wisdom, this market *is* different. And Price Club, which is opening in late September in Wayne, N.J., and Sam's Club, which is opening later this year in Paramus, N.J., will quickly discover the differences.

This New York suburb is one of the most densely populated areas in the United States. It has one of the highest income as well as one of the lowest income areas and it has a plethora of small businesses which exist at virtually every corner. The bad news is that it is one of the most competitive markets that the warehouse clubs have ever faced. And it houses some of the nation's most sophisticated, demanding and fickle consumers and business people.



**TONY LISANTI**
Editor

A strong competitor the warehouse clubs will face are the many convenient, aggressive, well-established supermarket chains such as ShopRite, operated by the Wakefern Food Corp. ShopRite has begun to merchandise large size and multipacks at sharp prices. In a recent circular, a variety of "giant-sized values" were promoted including a 120-ounce container of Downy Liquid priced at $3.99; the same item sold at Sam's for $4.49. ShopRite has also formed its own membership club called "Price Plus." This club enables customers to receive additional savings on selected products.

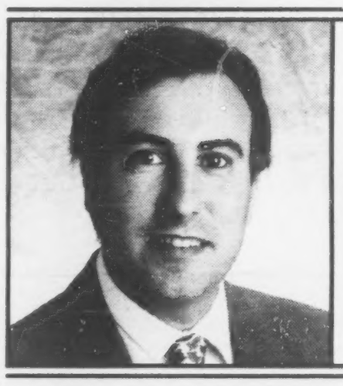
Does this mean the clubs will not be successful in the Northeast? No, but they will face their greatest challenge to date, particularly among the individual member, which comprises a bigger, more important constituency than many club execs care to admit. It will take some creative merchandising and even more aggressive pricing for them to grab a slice of the pie.

## BUYERS & SELLERS

# SPARC Promotes Partners In Progress

Last month's Supplier Performance Awards by Retail Category (SPARC) banquet drew a record crowd of more than 500 retail and manufacturer executives.

Among numerous special guests in the audience were Robert Floum, president of Fisher's Big Wheel, Warren White, general manager of Clover and chairman of the International Mass Retail Association, Joe Nusim, president of Channel and longtime SPARC supporter at Jamesway and Makro, Dan Ferguson, vice chairman of Newell Cos., five Wal-Mart associates who shared the Discounter of the Year award spotlight with president David Glass, and, Sam and Helen Walton.



**DON LONGO**
Exec Editor

Sam Walton was the first recipient of *DSN's* Discounter of the Year award at the inaugural SPARC banquet in 1978. Discounting has come a long way since. Not the least of the changes has been in the way retailers and suppliers work together to enhance one another's success.

Wal-Mart is a perfect example of this change. More than one supplier can relate old stories of making the trek to Bentonville and being "beat up" by a Wal-Mart buyer for what the supplier felt were unrealistic concessions.

Today, while far from perfect, Wal-Mart has been a leader in forming the types of true partnerships that involve sharing and communication with the ultimate goal of promoting the long-range success of both the retailer and its suppliers.

For 14 years, SPARC has promoted retailer-supplier partnerships. *Discount Store News* is proud of the positive impact this unique program has had on fostering relationships between retailers and manufacturers.

P.S.: To the reader who left the anonymous message on my answering machine: The Thalheim-sponsored Back-to-School show was held last February in New York. As I reported in my Aug. 5 column, that annual event has been moved to November in Chicago, beginning this fall. I don't usually respond to anonymous callers, but, in this case, I feel obligated to make sure our readers know the correct show dates.

## TAKING STOCK

# Future Shop: One-Stop Discount Supercenters

Let's look at how the purveyors of the discount store of the future are shaping up.

The concept, in case you didn't know, is the supercenter format, typically a 150,000-square-foot store that combines food and general merchandise in a one-stop shopping experience. A hypermarket is a large helping of a supercenter.

While Wal-Mart and Kmart agree that supercenters *are* their store of the future, the concept is ancient for such merchants as Fred Meyer, Laneco and Meijer. They have successfully operated combination stores for decades as regional retailers, absent the various means necessary for national growth.

The import of Wal-Mart and Kmart embracing the format is the national rollout of their supercenters by the mid-'90s and the resulting impact the two discounters will make on food retailing and the sociology of shopping in general. By the turn of the century, one-stop shopping for most of a consumer's basic needs will likely be the norm, rather than the current practice of separate trips for groceries and general merchandise.

The two discounters' expansion will even envelop small rural communities, the same hamlets that Wal-Mart brought discounting to in the '60s and early '70s, after other chains, including Kmart, said it couldn't be done. This time, Kmart, as well as Wal-Mart, will be serving up supercenters in these small towns.

**ARTHUR MARKOWITZ**
Senior Editor

In the ongoing evolution of the discount store of the future, Wal-Mart is ahead of Kmart on the learning, development and deployment curve for supercenters. The reason: Wal-Mart's past intensive effort to learn about the food business, in particular how to distribute perishables as efficiently as it now does general merchandise. That drive was a factor in last year's purchase of McLane Co., a major food distributor, and a step to the discounter's operating its own food distribution centers.

Wal-Mart has tested different-sized supercenters and will have 11 such stores by the end of the year, with at least another half dozen planned for 1992—and then the deluge.

Kmart's learning curve emulates Wal-Mart's experience, including starting out by using a food wholesaler. Look for Kmart, now with three supercenters, to eventually run its own food DCs as it spreads these stores across the country.

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# Targeting the male shopper

**Many men who used to shop at department stores have become specialty store shoppers, a fact that comes as no surprise to merchants at The Gap and Merry-Go-Round.**

Everyone knows the old retailing maxim "Give the lady what she wants." But how does that apply to men? After all, they represent a significant portion of the apparel-buying public.

What does the male apparel customer want? How does he shop? When? Where? Why? Have his shopping patterns changed over the last five years?

According to an exclusive study undertaken in July by the Gallup Organization for *Apparel Merchandising*, based on a nationally representative sample of 500 men, men shop for clothes in many different kinds of stores. Although the choice of outlet is most often a department store, personnel at that traditional source of apparel have their work cut out for them if they want to maintain this position.

The study asked respondents to contrast their current shopping patterns with those of five years ago. The results indicate that men used to shop in department stores significantly more frequently. Thirty-two percent of the respondents say they most often shop for their clothes at department stores. However, 38 percent indicate that department stores were their top choice in 1986.

Many of those customers apparently have become specialty store shoppers, a fact that probably comes as no surprise to merchants at such chains as The Gap, Merry-Go-Round and County Seat. As might be expected, young men in particular appear to be attracted to those outlets. Approximately 38 percent of the 18- to 24-year-old participants say they most often shop for their apparel at specialty stores.

When that group was asked where they shopped five years ago, only 10 percent named specialty stores as their outlets of choice. Men between 25 and 34 are similarly inclined. According to the study, 35 percent of the participants shop in specialty stores most often. Considerably less, 26 percent, of the group say specialty shops were their clothing outlet of choice five years ago.

The number of men choosing discount stores as their primary source of apparel has remained steady over the past five years, the study shows. About 18 percent of the male shoppers say they most often shop for apparel at discount stores. Twenty percent note they most frequently shopped at those outlets for clothing five years ago.

Retailers at times go to great lengths to build a loyal men's wear customer, and according to the study, that is what they will have to do in today's market.

Only 16 percent of the men queried say they typically buy clothing at one store they consider a favorite although 27 percent make their purchases at "two or three" favorite stores. However, the majority, somewhat more than 50 percent of those involved in the study, say they shop at "many different stores" for apparel.

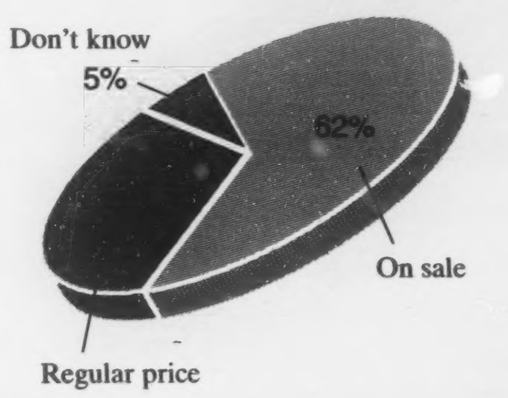
The East is the most competitive region for retailers, the study indicates. More than 59 percent of the men in this heavily saturated area are fickle when it comes to choosing a men's wear destination store.

Store loyalty is perhaps best established in the West, where 34 percent of the men frequent two or three favorite stores for their apparel purchases.

Male apparel shoppers may be runarounds when it comes to store loyalty, but they apparently aren't frivolous in regard to spending. Less than one-fifth, 19 percent, of those queried describe themselves as impulse apparel shoppers, while nearly eight in 10, 79 percent, say they buy articles of clothing only when needed. It's no surprise that those in the higher-income group, with family incomes in excess of $40,000, tend to be more likely to describe themselves as impulse shoppers. ►

**Most men buy on sale**

(Do you buy clothing more frequently on sale or at regular price?)




Source: The Gallup Organization for *AM*.

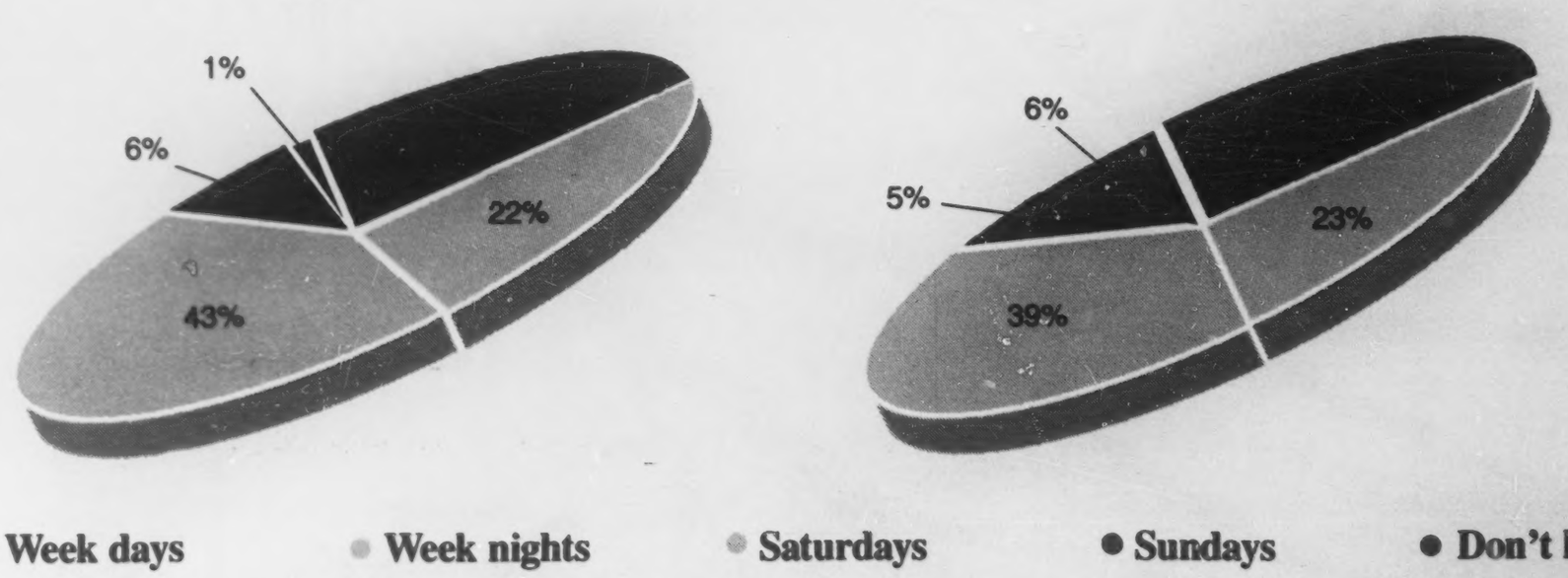
**Department stores lost ground over the past five years**

| Where do you most often shop for clothes? Now? Five years ago? | Total 91/'86 | 18-24 '91/'86 | 25-34 '91/'86 | Age 35-49 '91/'86 | 50-64 '91/'86 | 65+ '91/'86 | Under $20K '91/'86 | Income $20K-$39.9K '91/86 | $40K+ '91/'86 |
|---|---|---|---|---|---|---|---|---|---|
| Department store | 32%/38% | 32%/48% | 31%/39% | 33%/34% | 34%/41% | 31%/28% | 29%/32% | 34%/39% | 35%/43% |
| Specialty store | 25/20 | 38/10 | 35/26 | 22/26 | 11/12 | 18/19 | 18/11 | 23/18 | 31/29 |
| Discount store | 18/20 | 5/11 | 18/25 | 21/20 | 25/23 | 18/17 | 25/27 | 23/27 | 10/9 |
| Sears | 10/10 | 11/12 | 11/6 | 8/9 | 13/13 | 11/11 | 7/8 | 12/10 | 11/9 |
| Catalog/mail order | 4/5 | 8/8 | 1/1 | 4/5 | 5/5 | 5/7 | 5/8 | 3/3 | 3/1 |
| Off-price store | 3/2 | 2/7 | 2/1 | 5/2 | 4/2 | —/— | 3/5 | 1/1 | 5/3 |
| Montgomery Ward | 1/1 | 3/4 | —/1 | 1/1 | 1/1 | 1/1 | —/2 | 2/1 | 1/2 |
| Other | 5/3 | —/— | 2/1 | 5/3 | 7/3 | 10/11 | 10/4 | 2/1 | 3/4 |
| Don't know | 2/1 | 1/— | —/— | 1/— | —/— | 6/6 | 3/3 | —/— | 1/— |

Source: The Gallup Organization for *AM*.

**There's been a shift toward more weekday shopping**

(When do you shop? Now? Five years ago?)




Source: The Gallup Organization for *AM*.

**Young men are more likely to buy on impulse**

| Would you describe yourself as an impulse shopper, or do you buy clothing only when needed? | Total | Age 18-24 | 25-34 | 35-49 | 50-64 | 65+ |
|---|---|---|---|---|---|---|
| Impulse shopper | 19% | 37% | 23% | 19% | 8% | 8% |
| Only when needed | 79 | 63 | 76 | 80 | 90 | 86 |
| Don't know | 2 | — | 2 | 1 | 2 | 6 |

Source: The Gallup Organization for *AM*.

About 22 percent in this group state that they are impulse men's wear shoppers, while only 15 percent of those with less-than-$20,000 a year incomes describe themselves that way.

In addition, men frequently buy items on sale. Sixty-two percent say they usually purchase marked-down merchandise. However, a substantial number of male shoppers also are willing to pay full price. Almost a third, 33 percent, buy regular price items more frequently than sale price items. It's no surprise that younger men — often fashion shoppers — are most likely to pay full price. Nearly 45 percent of the 18- to 24-year-olds frequently buy at regular price, while 42 percent in the 25- to 34-year-old group have similar buying practices.

Middle-aged men, who often have a lot of financial responsibilities, such as mortgages, are least likely to buy at full price. Only 23 percent of the 35- to 49-year-olds and a quarter of the 50- to 64-year-old representatives frequently buy apparel at regular price.

It is interesting to note that the highest income group, with household earnings of $40,000 or more annually, are most likely to buy on sale. More than two-thirds, 67 percent, of those shoppers frequently do so. Only 59 percent of the respondents in under-$20,000-a-year households buy on sale, and 58 percent of those in the $20,000-to-$39,900 group usually do.

Regardless of what price men's wear customers are willing to pay, a significant portion of them will make their purchases during the weekend, usually on a Saturday. Almost 44 percent of the men queried say they generally shop for their clothes then. Thirty-nine percent note Saturday is their shopping day of choice, while 5 percent pick Sunday.

However, many also shop during the week. Twenty-seven percent browse for men's apparel during the week day, and 23 percent say they would cruise the stores week nights.

Young men are more prone to make the shopping scene on Saturday, while older consumers tend toward middle-of-the-week expeditions. Approximately 53 percent of the 18- to 24-year-olds shop on Saturday, while 48 percent of the 25- to 34-year-old group go to the stores during that time period. The number more or less holds for 35- to 49-year-olds; 44 percent of that group shop on Saturdays. However, only 32 percent of the 50- to 64-year-old group shop on Saturday. The number plummets for the 65 or older men's wear customers. Only 6 percent of those shoppers look for men's wear on Saturday. Conversely, 66 percent of the seniors shop for men's wear during the week.

Those shopping patterns have changed only slightly over the past five years. According to the study, weekend shopping has declined somewhat. About 49 percent of those questioned say they shopped on weekends for men's wear in 1986.

To assess the proportion of disposable income men spend on apparel for themselves, the study asked participants to quantify the amount they would spend on clothing if they had $100 to use for anything they wanted.

With the exclusion of responses from men who indicate they wouldn't use any of the $100 on clothing, the average amount of money that the group says it would spend for apparel is $57. That figure is a bit higher than it might have been in the past. When the participants in the study were asked how much they would have spent five years ago, the average response was $54.

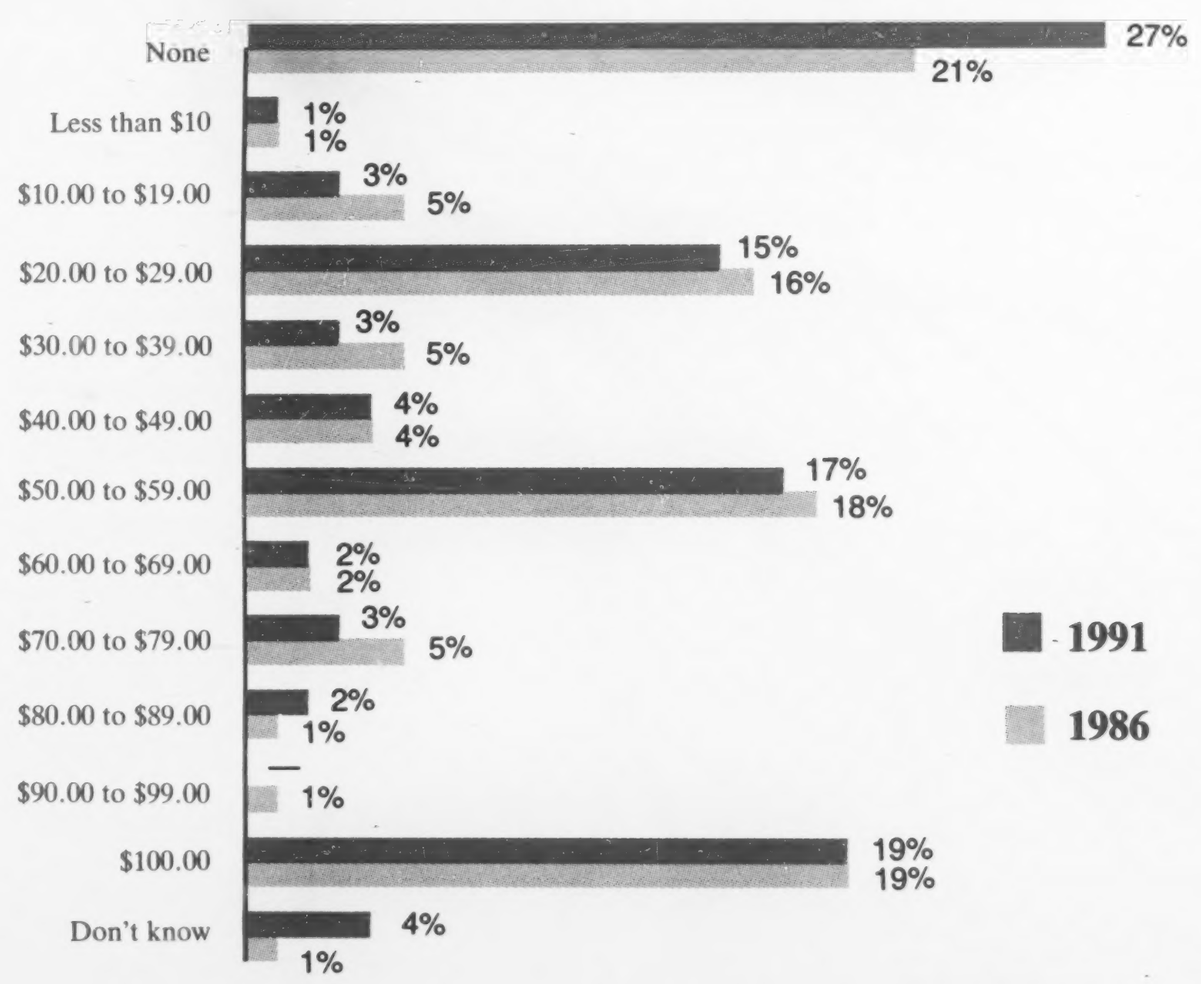
The study also implies that selling strategies aimed at average- and lower-income consumers may be easier to execute than plans to capture the dollars of the well-to-do. The amount of money shoppers in the $40,000 or more households would spend is considerably less than what the men in lower-income groups would spend. The mean amount the highest-income group participants say they'd spend on apparel is $50. Those in the $20,000-to-$39,000 range note that on average they'd spend $57 dollars, while men in households with incomes of less than $20,000 indicate they'd spend $66 dollars of the imaginary $100 on men's wear.

A further indication that the more affluent men's wear shopper has reached the buying saturation point is the fact that nearly a third, 33 percent, of them say they'd buy no apparel with an extra $100. Only 21 percent of the men in the under-$20,000 group and 27 percent of those in the middle group indicate that they'd eschew apparel purchases.

The demographics and preferences of the men's apparel customers frequently vary. Retailers and manufacturers who establish a men's wear niche and market accordingly will undoubtedly increase their chances of success. ◢

**Almost a fifth, 19%, would spend an extra $100 on apparel**

(Suppose you had $100 to spend on anything you want, how much of the money would you spend on clothing for yourself? Now? Five years ago?)




Source: The Gallup Organization for *AM*.

**Weekly shopping expeditions waned as baby boomers aged**

| How often do you shop? Now? Five years ago? | Total '91/'86 | Age 18-24 '91/'86 | 25-34 '91/'86 | 35-49 '91/'86 | 50-64 '91/'86 | 65+ '91/'86 |
|---|---|---|---|---|---|---|
| Once a week or more | 4%/6% | 10%/8% | 7%/13% | 1%/4% | 3%/5% | —/— |
| Two or three times a month | 10/9 | 20/6 | 14/13 | 10/9 | 2/3 | 2/14 |
| Once a month | 12/12 | 13/13 | 18/19 | 7/8 | 12/10 | 11/11 |
| Every two months | 32/26 | 34/25 | 30/22 | 39/34 | 31/27 | 22/18 |
| Twice a year | 29/28 | 16/24 | 20/16 | 34/32 | 40/34 | 30/29 |
| Once a year | 9/10 | 5/14 | 9/6 | 6/6 | 9/12 | 22/19 |
| Less than one a year | 2/5 | 3/8 | 2/9 | 1/4 | 4/4 | 3/— |
| Don't know | 2/2 | —/— | —/1 | 3/3 | 1/3 | 11/7 |
| Didn't shop for clothes five years ago | 2 | 3 | 1 | 1 | 2 | 3 |

Source: The Gallup Organization for *AM*.

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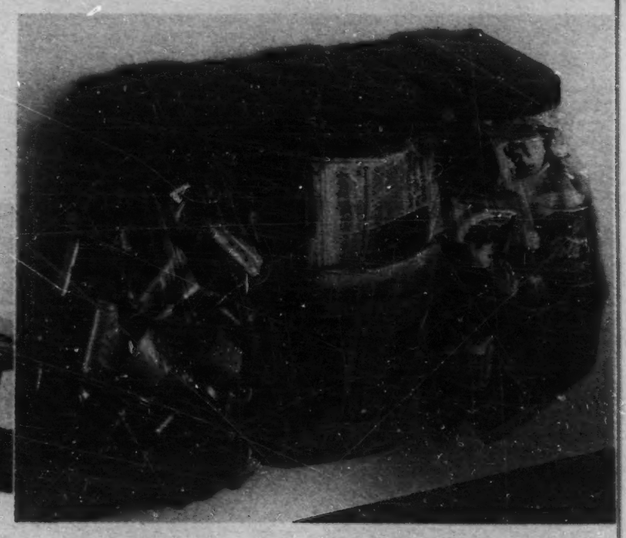

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